#### A BILL TO BE ENTITLED

AN ACT

relating to the regulation of air conditioning contractors;

providing a penalty.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. SHORT TITLE. 5 This Act may be cited as the "Air 6

Conditioning Contractor License Law."

7 SECTION 2. DEFINITIONS. In this Act:

- (1) "Environmental air conditioning" means the process of treating indoor air to continuously control its temperature, humidity, cleanliness, and circulation to meet human comfort requirements.
- (2) "Air conditioning contractor" means a person licensed 12 13 under this Act who maintains a regular place of business at one or 14 more locations in this state and who designs, installs, constructs, 15 maintains, services, repairs, alters, or modifies any heating, ventilating, or air conditioning product, system, or equipment. 16
- (3) "Air conditioning contracting" means the business of 17 18 installing, constructing, maintaining, servicing, repairing, altering, or modifying any heating, ventilating, or air 19 conditioning product, system, or equipment. 20 The term does not 21 include the design, installation, construction, maintenance, 22 service, repair, alteration, or modification of a portable or self-contained ductless air conditioning or heating product that 23 24 has a cooling capacity of three tons or less, or a heating capacity

- of 36,000 British thermal units or less.
- 2 (4) "Commissioner" means the commissioner of the Texas
- 3 Department of Labor and Standards.
- 4 (5) "Person" means an individual.
- 5 SECTION 3. POWERS AND DUTIES OF COMMISSIONER. (a) The
- 6 commissioner shall adopt rules for the practice of air conditioning
- 7 contracting consistent with this Act not later than the 90th day
- 8 after the effective date of this Act. The standards prescribed by
- 9 rule must be at least as strict as the standards set forth in the
- 10 Uniform Mechanical Code published jointly by the International
- 11 Conference of Building Officials and the International Association
- of Plumbing and Mechanical Officials, as that code exists at the
- 13 time the rules are adopted.
- 14 (b) The commissioner shall prescribe application forms for
- original and renewal licenses and the design of the licenses.
- 16 (c) The commissioner shall prescribe the method and content
- 17 of examinations administered under this Act and shall set
- 18 compliance requirements for the examinations.
- 19 (d) The commissioner shall set insurance requirements for
- 20 persons licensed under this Act.
- 21 (e) The commissioner may employ the personnel necessary to
- 22 implement this Act. The commissioner shall employ at least two
- 23 full-time air conditioning professionals to serve as air
- 24 conditioning examiners.
- 25 (f) The commissioner may authorize necessary disbursements
- 26 to implement this Act, including office expenses, costs of
- 27 equipment, and other necessary facilities.

- 1 (g) The commissioner shall set fees for original and renewal
- 2 licenses issued under this Act. The commissioner shall set a fee
- 3 for the licensing examinations. The fees shall be set in amounts
- 4 that are reasonable and necessary to defray the costs of the
- 5 administration of this Act.
- 6 (h) The commissioner shall maintain a record of his
- 7 proceedings under this Act.
- 8 SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. (a) Air
- 9 conditioning contractor licenses are of two classes. A Class A
- 10 license entitles the licensee to install, repair, or alter summer
- 11 or winter environmental air conditioning systems of any size or
- 12 capacity. A Class B license entitles the licensee to install,
- 13 repair, or alter an environmental air conditioning system that
- develops a total of not more than 25 tons cooling capacity and not
- more than 1,500,000 British thermal units per hour output heating
- 16 capacity. The commissioner shall prescribe an appropriate
- 17 examination for each class of license.
- 18 (b) An applicant for an air conditioning contractor license
- must be at least 18 years old and have at least three years of
- 20 practical experience in air conditioning work. For purposes of the
- 21 experience requirement, a degree or diploma in air conditioning
- 22 engineering or mechanical engineering from an institution of higher
- 23 education whose program is approved by the State Board of
- 24 Registration for Professional Engineers for the purpose of
- 25 licensing professional engineers is considered the equivalent of
- 26 two years of practical experience.
- (c) The application must be made on a form prescribed by the

- 1 commissioner and must specify the class of license the applicant
- 2 seeks. The application must be verified and must be accompanied
- 3 by:
- 4 (1) three recommendations from competent people in the
- 5 regulated industry;
- 6 (2) evidence of the insurance coverage required under this
- 7 Act;
- 8 (3) a statement of the applicant's practical experience; and
- 9 (4) the examination fee.
- 10 (d) The commissioner shall issue the air conditioning
- 11 contractor license to an applicant who possesses the required
- 12 qualifications, passes the appropriate licensing examination, and
- pays the examination fee and the original license fee required by
- 14 this Act.
- 15 (e) A license issued under this Act expires three years
- 16 after the date it was issued. To renew a license, the licensee
- 17 must submit to the commissioner before the expiration date a
- 18 renewal application, on a form prescribed by the commissioner,
- 19 accompanied by the renewal fee. The commissioner shall notify the
- 20 licensee of the expiration date of the license and the amount of
- 21 the renewal fee. The notice shall be mailed not later than the
- 22 30th day before the expiration date.
- 23 SECTION 5. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.
- 24 (a) A violation of this Act or a rule adopted under this Act is a
- 25 ground for the denial, suspension, or revocation of a license
- 26 issued under this Act.
- 27 (b) Proceedings for the denial, suspension, or revocation of

- 1 a license and appeals from those proceedings are governed by the
- 2 Administrative Procedure and Texas Register Act (Article 6252-13a,
- 3 Vernon's Texas Civil Statutes).
- 4 SECTION 6. EXEMPTIONS. (a) This Act does not apply to a
- 5 person who:
- 6 (1) performs air conditioning work in a building owned
- 7 solely by him as his home;
- 8 (2) performs air conditioning maintenance work if the person
- 9 is regularly employed as a maintenance man or maintenance engineer
- 10 or is licensed as a professional engineer under The Texas
- 11 Engineering Practice Act (Article 3271a, Vernon's Texas Civil
- 12 Statutes), the work is performed in connection with the business in
- which the person is employed, and the person does not engage in the
- occupation of air conditioning contracting for the general public;
- 15 or
- 16 (3) performs air conditioning contracting and is regularly
- 17 employed by an electric or gas utility that is regulated under the
- Public Utility Regulatory Act (Article 1446c, Vernon's Texas Civil
- 19 Statutes).
- 20 (b) The work described by Subsection (a) of this section
- 21 remains subject to any permit, inspection, or approval requirements
- 22 prescribed by a municipal ordinance.
- 23 (c) A person licensed under this Act may not perform, or
- offer or attempt to perform, any act, service, or function that is
- 25 defined as the practice of engineering by The Texas Engineering
- 26 Practice Act (Article 3271a, Vernon's Texas Civil Statutes). This
- 27 Act does not apply to a person licensed in this state as a

- professional engineer and engaged in business as a professional engineer.
- SECTION 7. REPORTING REQUIREMENT. Each person licensed under this Act shall notify the municipal authority who has control of the enforcement of regulations relative to air conditioning
- 6 contracting in the municipality in which the person is engaged in
- air conditioning contracting that the person has obtained a state
- 8 license. The notification must contain the name and address of the
- 9 licensee.
- 10 SECTION 8. PENALTY. Except as provided by Section 9(b) of
- 11 this Act, a person commits an offense if the person knowingly or
- 12 intentionally engages in the business of air conditioning
- 13 contracting without a license issued under this Act. An offense
- under this section is a Class C misdemeanor.
- 15 SECTION 9. MUNICIPAL REGULATION; TRANSITION. (a) A license
- 16 issued under this Act is valid throughout the state, and the holder
- 17 is not required to hold a municipal license to practice in a
- 18 municipality. A license issued by a municipality of this state is
- 19 valid under the terms of the license within that municipality.
- (b) Not later than January 1, 1986, a person who holds a
- 21 municipal license must obtain an appropriate state license under
- 22 this Act to continue in the business of air conditioning
- contracting. From January 1, 1984, through December 31, 1985, a
- 24 person who holds a municipal license but does not hold a license
- 25 issued under this Act may continue in the business of air
- 26 conditioning contracting within the municipality if the person
- 27 complies with the municipal licensing requirements, including

- 1 requirements for the renewal of the license.
- 2 SECTION 10. EFFECTIVE DATE FOR LICENSE REQUIREMENT. A
- 3 person is not required to be licensed under this Act to engage in
- 4 the business of air conditioning contracting until January 1, 1984.
- 5 SECTION 11. EFFECTIVE DATE. This Act takes effect September
- 6 1, 1983.
- 7 SECTION 12. EMERGENCY. The importance of this legislation
- 8 and the crowded condition of the calendars in both houses create an
- 9 emergency and an imperative public necessity that the
- 10 constitutional rule requiring bills to be read on three several
- 11 days in each house be suspended, and this rule is hereby suspended.

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5. B. No. 642

#### A BILL TO BE ENTITLED

AN ACT

2 relating to the regulation of air conditioning contractors;
3 providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. SHORT TITLE. This Act may be cited as the "Air Conditioning Contractor License Law."

SECTION 2. DEFINITIONS. In this Act:

- 8 (1) "Environmental air conditioning" means the process of 9 treating indoor air to continuously control its temperature, 10 humidity, cleanliness, and circulation to meet human comfort 11 requirements.
- (2) "Air conditioning contractor" means a person licensed under this Act who maintains a regular place of business at one or more locations in this state and who designs, installs, constructs, maintains, services, repairs, alters, or modifies any heating, ventilating, or air conditioning product, system, or equipment.
  - (3) "Air conditioning contracting" means the business of designing, installing, constructing, maintaining, servicing, repairing, altering, or modifying any heating, ventilating, or air conditioning product, system, or equipment. The term does not include the design, installation, construction, maintenance, service, repair, alteration, or modification of a portable or self-contained ductless air conditioning or heating product that has a cooling capacity of three tons or less, or a heating capacity

By: Henderson, Glasgow S.B. No. 642 (In the Senate - Filed March 1, 1983; March 2, 1983, read first time and referred to Committee on Economic Development; March 22, 1983, reported adversely, with favorable Substitute; March 22, 1983, sent to printer.)

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COMMITTEE SUBSTITUTE FOR S.B. No. 642 By: Henderson

#### A BILL TO BE ENTITLED AN ACT

relating to the regulation of air conditioning contractors; providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. SHORT TITLE. This Act may be cited as the "Air Conditioning Contractor License Law."

- SECTION 2. DEFINITIONS. In this Act:

  (1) "Environmental air conditioning" means the process of treating indoor air to continuously control its temperature, humidity, cleanliness, and circulation to meet human comfort requirements.
- (2) "Air conditioning contractor" means a person licensed under this Act who designs, installs, constructs, maintains, services, repairs, alters, or modifies any heating, ventilating, or air conditioning product, system, or equipment.
- (3) "Air conditioning contracting" means designing, installing, constructing, maintaining, servicing, repairing, altering, or modifying any heating, ventilating, or air conditioning product, system, or equipment. The term does not include the design, installation, construction, maintenance, service, repair, alteration, or modification of a portable or self-contained ductless air conditioning or heating product that has a cooling capacity of three tons or less or a heating capacity
- of 36,000 British thermal units or less.

  (4) "Commissioner" means the commissioner of the Texas Department of Labor and Standards.
  (5) "Person" means an individual.
- SECTION 3. POWERS AND DUTIES OF COMMISSIONER. (a) commissioner shall adopt rules for the practice of air conditioning contracting consistent with this Act not later than the 90th day after the effective date of this Act. The standards prescribed by rule must be at least as strict as the standards set forth in the Uniform Mechanical Code published jointly by the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials, as that code exists at the time the rules are adopted.
- (b) The commissioner shall prescribe application forms original and renewal licenses and the design of the licenses.
- (c) The commissioner shall prescribe the method and content of examinations administered under this Act and shall compliance requirements for the examinations. The commissions shall offer each examination on a monthly basis. The commissioner
- (d) The commissioner shall set insurance requirements for persons licensed under this Act. The commissioner may waive the insurance requirements for licensees who do not contract with the general public.
- (e) The commissioner may employ the personnel necessary to implement this Act. The commissioner shall employ at least two full-time air conditioning professionals to serve as air conditioning examiners.
- (f) The commissioner may authorize necessary disbursements implement this Act, including office expenses, costs of equipment, and other necessary facilities.
- The commissioner shall set fees for original and renewal (g) licenses issued under this Act. The commissioner shall set a fee for the licensing examinations. The fees shall be set in amounts that are reasonable and necessary to defray the costs of the administration of this Act.
- (h) The commissioner shall maintain a record of his proceedings under this Act.
  - SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. (a)

conditioning contractor licenses are of two classes. A Class A license entitles the licensee to install, repair, or alter summer or winter environmental air conditioning systems of any size or capacity. A Class B license entitles the licensee to install, repair, or alter an environmental air conditioning system that develops a total of not more than 25 tons cooling capacity and not more than 1,500,000 British thermal units per hour output heating capacity. The commissioner shall prescribe an appropriate examination for each class of license.

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- (b) An applicant for an air conditioning contractor license must be at least 18 years old.
- (c) The application must be made on a form prescribed by the commissioner and must specify the class of license the applicant seeks. The application must be verified and must be accompanied by:
- (1) three recommendations from competent people in the regulated industry;
- (2) evidence of the insurance coverage required under this Act;
  - (3) a statement of the applicant's practical experience; and
  - (4) the examination fee.

- (d) The commissioner shall issue the air conditioning contractor license to an applicant who possesses the required qualifications, passes the appropriate licensing examination, and pays the examination fee and the original license fee required by this Act. An applicant who fails the examination is eligible for reexamination.
- (e) A license issued under this Act expires three years after the date it was issued. To renew a license, the licensee must submit to the commissioner before the expiration date a renewal application, on a form prescribed by the commissioner, accompanied by the renewal fee. The commissioner shall notify the licensee of the expiration date of the license and the amount of the renewal fee. The notice shall be mailed not later than the 30th day before the expiration date.
- SECTION 5. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. (a) A violation of this Act or a rule adopted under this Act is a ground for the denial, suspension, or revocation of a license issued under this Act.
- (b) Proceedings for the denial, suspension, or revocation of a license and appeals from those proceedings are governed by the Administrative Procedure and Texas Register Act as amended (Article 6252-13a, Vernon's Texas Civil Statutes).

SECTION 6. EXEMPTIONS. (a) This Act does not apply to a person who:

- (1) performs air conditioning work in a building owned solely by him as his home;
- (2) performs air conditioning maintenance work if the person is regularly employed as a maintenance man or maintenance engineer or is licensed as a professional engineer under The Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil Statutes), the work is performed in connection with the business in which the person is employed, and the person does not engage in the occupation of air conditioning contracting for the general public;
- (3) performs air conditioning contracting and is regularly employed by an electric or gas utility that is regulated under the Public Utility Regulatory Act (Article 1446c, Vernon's Texas Civil Statutes).
- (b) The work described by Subsection (a) of this section remains subject to any permit, inspection, or approval requirements prescribed by a municipal ordinance.
- (c) A person licensed under this Act may not perform or offer or attempt to perform any act, service, or function that is defined as the practice of engineering by The Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil Statutes). This Act does not apply to a person licensed in this state as a professional engineer and engaged in business as a professional engineer.
  - (d) This Act does not apply to a person who is regulated

under Chapter 113, Natural Resources Code. SECTION 7. REPORTING REQUIREMENT. Each person licensed under this Act shall notify the municipal authority who has control of the enforcement of regulations relative to air conditioning contracting in the municipality in which the person is engaged in air conditioning contracting that the person has obtained a state The notification must contain the name and address of the license. licensee.

SECTION 8. PENALTY. A person commits an offense if the person knowingly or intentionally engages in air conditioning contracting without a license issued under this Act. An offense under this section is a Class C misdemeanor.

SECTION 9. MUNICIPAL REGULATION. A license issued under this  $\mbox{Act}$  is valid throughout the state, and the holder is not required to hold a municipal license to practice air conditioning contracting in a municipality. A license issued by a municipality of this state is valid under the terms of the license within that municipality.

SECTION 10. EFFECTIVE DATE FOR LICENSE REQUIREMENT. person is not required to be licensed under this Act to engage in the business of air conditioning contracting until January 1, 1986.

SECTION 11. EFFECTIVE DATE. This Act takes effect September 1, 1983.

SECTION 12. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

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30 Austin, Texas 31 March 22, 1983

32 Hon. William P. Hobby 33 President of the Senate

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We, your Committee on Economic Development to which was referred S.B. No. 642, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation 35 37 38 that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed. 39

40 Harris, Chairman C.S.S.B. 642 By: Henderson

Purpose: To provide new state regulation and licensing of air conditioning contractors.

#### Section Analysis:

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Short Title. Section 1. Section 2. Definitions.

Section 3. Powers and Duties of Commissioner.

- (a) Authorizes the commissioner to adopt rules for the practice of air conditioning contracting within 90 days after the effective date.
  - (b) Authorizes the commissioner to prescribe application forms for licenses.
  - (c) Authorizes the commissioner to prescribe the method and content of exams, and requires them to be offered on a monthly basis.
  - (d) Authorizes the commissioner to set insurance requirements for licenses.
  - (e) Authorizes the commissioner to employ personnel to implement the act, including at least two full-time air conditioning professionals to serve as examiners.
  - (f) Authorizes the commissioner to make necessary disbursements to implement the act.
  - (g) Authorizes the commissioner to set fees for licenses.

- Requires the commissioner to maintain records.

Section 4. Air Conditioning Contractor License.

- (a) Provides for two classes of air conditioning contractor licenses.  $\overline{\mathsf{A}}$  Class A license entitles the licensee to install, repair, or alter air conditioning system of any size, while a Class B license restricts the licensee to working on systems which develop not more than 25 tons of cooling capacity and not more than 1,500,000 BTUs of heating capacity.
- (b) A licensee must be at least 18 years old. (c) - Requires the application to be made on a form prescribed by the commissioner and to specify the class of license being applied for. Additional requirements are also specified, including recommendations and evidence of insurance coverage.
- (d) Provides that a license is to be issued to a qualified applicant who passes the exam and pays the license fee.
   (e) Provides for three-year licenses, and for renewal.

- Section 5. Denial, Suspension, or Revocation of License. Specifies that violations of the act are grounds for license action, and for proceedings and appeal under the Administrative Procedure and Texas Register Act. Section 6. Exemptions.
  - (a) The act exempts those who work on their own residential air conditioning system, those who are employed as maintenance men, or maintenance engineers, or are licensed as professional engineers, if the work is performed as part of their occupational duties, and those who are employed by an electric or gas utility.

(b) Provides that work exemptions in Subsection (a) are subject to municipal ordinances.

(c) - Licensees may not perform any act or service which is defined as the practice of engineering by the Texas Engineering Practice Act. The act does not apply to licensed professional engineers.

(d) - The act does not apply to those regulated under Chapter 113, Natural Resources Code (liquified petroleum gas industry).

- Section 7. Reporting Requirement. Licensees are required to notify the appropriate municipal authority that they have obtained a state license.
- Section 8. Penalty. An offense is a Class C misdemeanor. Section 9. Municipal Regulation. A license issued under this act is valid throughout the state, and no municipal license is required. A municipal license is valid only in that municipality.

Section 10. Effective Date for License Requirement. January 1, 1986. Section 11. Effective Date. September 1, 1983.

Section 12. Emergency Clause.

Rulemaking Authority: It is the committee's opinion that the rulemaking authority granted to the commissioner of the Texas Department of Labor and Standards is in accord with a prior grant of rulemaking authority in Article 5145 of Title 83 --Labor, Vernon's Texas Civil Statutes.

#### LEGISLATIVE BUDGET BOARD

Austin, Texas

#### FISCAL NOTE

March 14, 1983

Honorable O. H. "Ike" Harris, Chairman Committee on Economic Development Senate Chamber Austin, Texas

In Re: Senate Bill No. 642

By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 642 (relating to the regulation of air conditioning contractors; providing a penalty) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The probable cost and revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost Out of the General Revenue Fund	Probable Revenue Gain to the General Revenue Fund	Change in Number of State Employees from FY 1983
1984	\$221,453	\$332,500	+ 6
1985	211,453	270,750	+ 6
1986	206,453	30,575	+ 6
1987	206,453	418,625	+ 6
1988	96,225	96,225	+ 6

Similar annual costs and revenue gains would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Jim Oliver Director

Source:

Department of Labor and Standards; LBB Staff: JO, JH, KH, LV

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By Henderson

S.B. No. 642

Substitute the following for S.B. No. 642:

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C.S.S.B. No. 642

#### A BILL TO BE ENTITLED

1 AN ACT

- 2 relating to the regulation of air conditioning contractors;
- 3 providing a penalty.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
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- 6 Conditioning Contractor License Law."
- 7 SECTION 2. DEFINITIONS. In this Act:
- 8 (1) "Environmental air conditioning" means the process of
- 9 treating indoor air to continuously control its temperature,
- 10 humidity, cleanliness, and circulation to meet human comfort
- 11 requirements.
- 12 (2) "Air conditioning contractor" means a person licensed
- 13 under this Act who designs, installs, constructs, maintains,
- 14 services, repairs, alters, or modifies any heating, ventilating, or
- air conditioning product, system, or equipment.
- 16 (3) "Air conditioning contracting" means designing,
- 17 installing, constructing, maintaining, servicing, repairing,
- 18 altering, or modifying any heating, ventilating, or air
- 19 conditioning product, system, or equipment. The term does not
- 20 include the design, installation, construction, maintenance,
- 21 service, repair, alteration, or modification of a portable or
- 22 self-contained ductless air conditioning or heating product that
- has a cooling capacity of three tons or less, or a heating capacity
- of 36,000 British thermal units or less.

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- 1 (4) "Commissioner" means the commissioner of the Texas 2 Department of Labor and Standards.
- 3 (5) "Person" means an individual.

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- SECTION 3. POWERS AND DUTIES OF COMMISSIONER. (a) The commissioner shall adopt rules for the practice of air conditioning contracting consistent with this Act not later than the 90th day after the effective date of this Act. The standards prescribed by rule must be at least as strict as the standards set forth in the Uniform Mechanical Code published jointly by the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials, as that code exists at the time the rules are adopted.
- 13 (b) The commissioner shall prescribe application forms for 14 original and renewal licenses and the design of the licenses.
- 15 (c) The commissioner shall prescribe the method and content

  16 of examinations administered under this Act and shall set

  17 compliance requirements for the examinations. The commissioner

  18 shall offer each examination on a monthly basis
  - (d) The commissioner shall set insurance requirements for persons licensed under this Act. The commissioner may waive the insurance requirements for licensees who do not contract with the general public.
- (e) The commissioner may employ the personnel necessary to implement this Act. The commissioner shall employ at least two full-time air conditioning professionals to serve as air conditioning examiners.
- 27 (f) The commissioner may authorize necessary disbursements

- to implement this Act, including office expenses, costs of equipment, and other necessary facilities.
- 3 (g) The commissioner shall set fees for original and renewal
  4 licenses issued under this Act. The commissioner shall set a fee
  5 for the licensing examinations. The fees shall be set in amounts
  that are reasonable and necessary to deflay the costs of the
  7 administration of this Act.
  - 8 (h) The commissioner shall maintain a record of his proceedings under this Act.
  - 10 SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. (a) Air 11 conditioning contractor licenses are of two classes. A Class A license entitles the licensee to install, repair, or alter 12 summer 13 or winter environmental air conditioning systems of any size or capacity. A Class B license entitles the licensee to 14 install, 15 repair, or alter an environmental air conditioning system that develops a total of not more than 25 tons cooling capacity and not 16 1,500,000 British thermal units per hour output heating 17 more than 18 capacity. The commissioner shall prescribe an appropriate 19 examination for each class of license.
  - 20 (b) An applicant for an air conditioning contractor license
    21 must be at least 18 years old.

    [Note H.A.(2)(3)]
  - (c) The application must be made on a form prescribed by the commissioner and must specify the class of license the applicant seeks. The application must be verified and must be accompanied by:
  - 26 (1) three recommendations from competent people in the regulated industry;

- 1 (2) evidence of the insurance coverage required under this
- 2 Act;
- 3 (3) a statement of the applicant's practical experience; and
- 4 (4) the examination fee.
- 5 (d) The commissioner shall issue the air conditioning
  6 contractor license to an applicant who possesses the required
  7 qualifications, passes the appropriate licensing examination, and
  8 pays the examination fee and the original license fee required by
  9 this Act. An applicant who fails the examination is eligible for
  10 reexamination.
- (e) A license issued under this Act expires three years 11 12 after the date it was issued. To renew a license, the licensee 13 must submit to the commissioner before the expiration date a renewal application, on a form prescribed by the commissioner, 14 accompanied by the renewal fee. The commissioner shall notify the 15 licensee of the expiration date of the license and the 16 amount of The notice shall be mailed not later than the 17 the renewal fee.
- 18 30th day before the expiration date.
- 19 SECTION 5. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.
- 20 (a) A violation of this Act or a rule adopted under this Act is a
- 21 ground for the denial, suspension, or revocation of a license
- 22 issued under this Act.
- 23 (b) Proceedings for the denial, suspension, or revocation of
- a license and appeals from those proceedings are governed by the
- 25 Administrative Procedure and Texas Register Act (Article 6252-13a,
- Vernon's Texas Civil Statutes).
- 27 SECTION 6. EXEMPTIONS. (a) This Act does not apply to a

- l person who:
- (1) performs air conditioning work in a building ownedsolely by him as his home;
- (2) performs air conditioning maintenance work if the person is regularly employed as a maintenance man or maintenance engineer or is licensed as a professional engineer under The Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil Statutes), the work is performed in connection with the business in which the person is employed, and the person does not engage in the occupation of air conditioning contracting for the general public;
- 12 (3) performs air conditioning contracting and is regularly employed by an electric or gas utility that is regulated under the Public Utility Regulatory Act (Article 1446c, Vernon's Texas Civil
  - 15 Statutes).
  - 16 (b) The work described by Subsection (a) of this section 17 remains subject to any permit, inspection, or approval requirements 18 prescribed by a municipal ordinance.
  - offer or attempt to perform, any act, service, or function that is defined as the practice of engineering by The Texas Engineering Practice Act (Article 3271a, Vernon's Texas Civil Statutes). This Act does not apply to a person licensed in this state as a professional engineer and engaged in business as a professional engineer.
    - 26 (d) This Act does not apply to a person who is regulated 27 under Chapter 113, Natural Resources Code.

C.S.S.B. No. 642

SECTION 7. REPORTING REQUIREMENT. Each person licensed under this Act shall notify the municipal authority who has control of the enforcement of regulations relative to air conditioning contracting in the municipality in which the person is engaged in air conditioning contracting that the person has obtained a state license. The notification must contain the name and address of the licensee.

7 licensee. HOUSE AM #3

person knowingly or intentionally engages in air conditioning contracting without a license issued under this Act. An offense under this section is a Class C misdemeanor.

SECTION 9. MUNICIPAL REGULATION. A license issued under this Act is valid throughout the state, and the holder is not required to hold a municipal license to practice air conditioning contracting in a municipality. A license issued by a municipality of this state is valid under the terms of the license within that

17 municipality. Hoor am #D

SECTION #6. EFFECTIVE DATE FOR LICENSE REQUIREMENT. A person is not required to be licensed under this Act to engage in the business of air conditioning contracting until January 1, 1986.

21 SECTION 2: EFFECTIVE DATE. This Act takes effect September 22 1, 1983.

SECTION 12. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

3-30-83 pl

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AMENDMENT NO.

BY Septe

Amend C.S.S.B. 642 by renumbering Sections 10-12 as Sections 11-13 and adding a new Section 10 to read as follows:

SECTION 10. SUNSET REVIEW; EXPIRATION. (a) The Sunset Advisory Commission shall review the operation of this Act as part of the commission's review of the office of the commissioner.

(b) Unless continued by law, this Act expires September 1, 1989.

EV 20 83

ADCPTED

MAR 30 1983

Secretary of the Senate

Also am. #0 3/30/83 AMEND THE CAPTION TO CONFORM
TO THE BODY OF THE BILL

# ADOPTED

MAR 30 1983

Secretary of the Senate

March 3019 8 Engrossed

Datsy Saw
Engrossing Clerk

referred to the Committee columniate of the State State of the State o

Chief Clerioti the House

By: Henderson, Glasgow (Wolens)

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S.B. No. 642

#### A BILL TO BE ENTITLED

1 AN ACT

2 relating to the regulation of air conditioning contractors;
3 providing a penalty.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. SHORT TITLE. This Act may be cited as the "Air Conditioning Contractor License Law."

7 SECTION 2. DEFINITIONS. In this Act:

- 8 (1) "Environmental air conditioning" means the process of 9 treating indoor air to continuously control its temperature, 10 humidity, cleanliness, and circulation to meet human comfort 11 requirements.
- 12 (2) "Air conditioning contractor" means a person licensed 13 under this Act who designs, installs, constructs, maintains, 14 services, repairs, alters, or modifies any heating, ventilating, or 15 air conditioning product, system, or equipment.
- 16 (3) "Air conditioning contracting" means designing, installing, constructing, maintaining, servicing, 17 repairing, 18 altering, or modifying any heating, ventilating, or air conditioning product, system, or equipment. 19 The term does not include the design, installation, construction, maintenance, 20 service, repair, alteration, or modification of a portable or 21 self-contained ductless air conditioning or heating product that 22 has a cooling capacity of three tons or less or a heating capacity 23 of 36,000 British thermal units or less. 24
  - (4) "Commissioner" means the commissioner of the Texas

- 1 Department of Labor and Standards.
- 2 (5) "Person" means an individual.
- 3 SECTION 3. POWERS AND DUTIES OF COMMISSIONER. (a) The 4 commissioner shall adopt rules for the practice of air conditioning contracting consistent with this Act not later than the 90th day 5 after the effective date of this Act. The standards prescribed by 6 7 rule must be at least as strict as the standards set forth in the Uniform Mechanical Code published jointly by the International Conference of Building Officials and the International Association 9 10 of Plumbing and Mechanical Officials, as that code exists at the time the rules are adopted. 11
- 12 (b) The commissioner shall prescribe application forms for original and renewal licenses and the design of the licenses.
- (c) The commissioner shall prescribe the method and content of examinations administered under this Act and shall set compliance requirements for the examinations. The commissioner shall offer each examination on a monthly basis.
- 18 (d) The commissioner shall set insurance requirements for 19 persons licensed under this Act. The commissioner may waive the 20 insurance requirements for licensees who do not contract with the 21 general public.
- 22 (e) The commissioner may employ the personnel necessary to 23 implement this Act. The commissioner shall employ at least two 24 full-time air conditioning professionals to serve as air 25 conditioning examiners.
- 26 (f) The commissioner may authorize necessary disbursements

- to implement this Act, including office expenses, costs of equipment, and other necessary facilities.
- 3 (g) The commissioner shall set fees for original and renewal
  4 licenses issued under this Act. The commissioner shall set a fee
  5 for the licensing examinations. The fees shall be set in amounts
  6 that are reasonable and necessary to defray the costs of the
  7 administration of this Act.
- 8 (h) The commissioner shall maintain a record of his proceedings under this Act.
- SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. 10 (a) conditioning contractor licenses are of two classes. 11 12 license entitles the licensee to install, repair, or alter summer 13 or winter environmental air conditioning systems of any size or capacity. A Class B license entitles the licensee to install, 14 repair, or alter an environmental air conditioning system that 15 develops a total of not more than 25 tons cooling capacity and not 16 more than 1,500,000 British thermal units per hour output heating 17 18 The commissioner shall prescribe an appropriate capacity. examination for each class of license. 19
- 20 (b) An applicant for an air conditioning contractor license 21 must be at least 18 years old.
- (c) The application must be made on a form prescribed by the commissioner and must specify the class of license the applicant seeks. The application must be verified and must be accompanied by:
- (1) three recommendations from competent people in the

- 1 regulated industry;
- 2 (2) evidence of the insurance coverage required under this
- 3 Act;
- 4 (3) a statement of the applicant's practical experience; and
- 5 (4) the examination fee.
- 6 (d) The commissioner shall issue the air conditioning
  7 contractor license to an applicant who possesses the required
  8 qualifications, passes the appropriate licensing examination, and
  9 pays the examination fee and the original license fee required by
  10 this Act. An applicant who fails the examination is eligible for
- 11 reexamination.
- 12 (e) A license issued under this Act expires three years
- 13 after the date it was issued. To renew a license, the licensee
- 14 must submit to the commissioner before the expiration date a
- renewal application, on a form prescribed by the commissioner,
- 16 accompanied by the renewal fee. The commissioner shall notify the
- 17 licensee of the expiration date of the license and the amount of
- 18 the renewal fee. The notice shall be mailed not later than the
- 19 30th day before the expiration date.
- 20 SECTION 5. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.
- 21 (a) A violation of this Act or a rule adopted under this Act is a
- 22 ground for the denial, suspension, or revocation of a license
- 23 issued under this Act.
- 24 (b) Proceedings for the denial, suspension, or revocation of
- 25 a license and appeals from those proceedings are governed by the
- 26 Administrative Procedure and Texas Register Act, as amended

- 1 (Article 6252-13a, Vernon's Texas Civil Statutes).
- 2 SECTION 6. EXEMPTIONS. (a) This Act does not apply to a person who:
- 4 (1) performs air conditioning work in a building owned 5 solely by him as his home;
- (2) performs air conditioning maintenance work if the person 6 is regularly employed as a maintenance man or maintenance engineer 7 is licensed as a professional engineer under The Texas 8 Engineering Practice Act, as amended (Article 3271a, Vernon's Texas 9 10 Civil Statutes), the work is performed in connection with the 11 business in which the person is employed, and the person does not engage in the occupation of air conditioning contracting for the 12 13 general public; or
- (3) performs air conditioning contracting and is regularly employed by an electric or gas utility that is regulated under the Public Utility Regulatory Act, as amended (Article 1446c, Vernon's Texas Civil Statutes).
- (b) The work described by Subsection (a) of this section remains subject to any permit, inspection, or approval requirements prescribed by a municipal ordinance.
- 21 (c) A person licensed under this Act may not perform or 22 offer or attempt to perform any act, service, or function that is 23 defined as the practice of engineering by The Texas Engineering 24 Practice Act, as amended (Article 3271a, Vernon's Texas Civil 25 Statutes). This Act does not apply to a person licensed in this 26 state as a professional engineer and engaged in business as a

- 1 professional engineer.
- 2 (d) This Act does not apply to a person who is regulated
- 3 under Chapter 113, Natural Resources Code.
- 4 SECTION 7. REPORTING REQUIREMENT. Each person licensed
- 5 under this Act shall notify the municipal authority who has control
- 6 of the enforcement of regulations relative to air conditioning
- 7 contracting in the municipality in which the person is engaged in
- 8 air conditioning contracting that the person has obtained a state
- 9 license. The notification must contain the name and address of the
- 10 licensee.
- 11 SECTION 8. PENALTY. A person commits an offense if the
- 12 person knowingly or intentionally engages in air conditioning
- 13 contracting without a license issued under this Act. An offense
- under this section is a Class C misdemeanor.
- 15 SECTION 9. MUNICIPAL REGULATION. A license issued under
- 16 this Act is valid throughout the state, and the holder is not
- 17 required to hold a municipal license to practice air conditioning
- 18 contracting in a municipality. A license issued by a municipality
- of this state is valid under the terms of the license within that
- 20 municipality.
- 21 SECTION 10. SUNSET REVIEW; EXPIRATION. (a) The Sunset
- 22 Advisory Commission shall review the operation of this Act as part
- of the commission's review of the office of the commissioner.
- (b) Unless continued by law, this Act expires September 1,
- 25 1989.

1 SECTION 11. EFFECTIVE DATE FOR LICENSE REQUIREMENT. 2 person is not required to be licensed under this Act to engage in the business of air conditioning contracting until January 1, 1986. 3 SECTION 12. EFFECTIVE DATE. This Act takes effect September 4 1, 1983. 5 SECTION 13. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an 7 8 emergency and an imperative public necessity that the

constitutional rule requiring bills to be read on three several

days in each house be suspended, and this rule is hereby suspended.

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#### COMMITTEE AMENDMENT NO. 1

- 2 Amend SB 642 as follows:
- 3 (1) On page 2 by deleting the word "commissioner" at the end
- 4 of line 16 and by deleting line 17 in its entirety and substituting
- 5 in lieu thereof the following:
- 6 examinations shall be offered only in Travis County, and shall be
- 7 offered on a quarterly basis.
- 8 (2) On page 3 line 6 by deleting the word "defray" and
- 9 substituting "pay".
- 10 (3) On page 3 line 21 by deleting the "." and adding the
- 11 following:

1

- 12 and have at least three years of practical experience in air
- 13 conditioning work. For purposes of the experience requirement, a
- 14 degree or diploma in air conditioning engineering or mechanical
- 15 engineering from an institution of higher education whose program
- 16 is approved by the State Board of Registration for Professional
- 17 Engineers for the purpose of licensing professional engineers is
- 18 considered the equivalent of two years of practical experience.
- 19 (4) On page 5 line 17 by adding the following:
- 20 (4) assists in the performance of air conditioning work
- 21 under the direct personal supervision of a licensee.

22 Jackson

#### LEGISLATIVE BUDGET BOARD

Austin, Texas

#### FISCAL NOTE

March 14, 1983

Honorable O. H. "Ike" Harris, Chairman Committee on Economic Development Senate Chamber Austin, Texas

In Re: Senate Bill No. 642

By: Henderson

Sir

In response to your request for a Fiscal Note on Senate Bill No. 642 (relating to the regulation of air conditioning contractors; providing a penalty) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The probable cost and revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost Out of the General Revenue Fund	Probable Revenue Gain to the General <u>Revenue Fund</u>	Change in Number of State Employees from FY 1983
1984	\$221,453	\$332,500	+ 6
1985	211,453	270,750	+ 6
1986	206,453	30,575	+ 6
1987	206,453	418,625	+ 6
1988	96,225	96,225	+ 6

Similar annual costs and revenue gains would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Jim Oliver Director

Source: Department of Labor and Standards;

LBB Staff: JO, JH, KH, LV

## HOUSE 1793 MAY -9 TFM 7-57 WARREST REPORT

### 1st Printing

Henderson, Glasgow (Wolens)

S.B. No. 642

#### A BILL TO BE ENTITLED

1 AN ACT

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... 17.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. SHORT TITLE. This Act may be cited as the "Air

Conditioning Contractor License Law."

SECTION 2. DEFINITIONS. In this Act:

8 (1) "Environmental air conditioning" means the process of 9 treating indoor air to continuously control its temperature, 10 humidity, cleanliness, and circulation to meet human comfort

11 requirements.

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- 12 (2) "Air conditioning contractor" means a person licensed 13 under this Act who designs, installs, constructs, maintains, services, repairs, alters, or modifies any heating, ventilating, or 14
- 15 air conditioning product, system, or equipment.
- 16 (3) "Air conditioning contracting" means
- installing, constructing, maintaining, servicing, 17 repairing,
- 18 or modifying any heating, ventilating, or air
- conditioning product, system, or equipment. The term does not 20 include the design, installation, construction, maintenance,
- 21 service, repair, alteration, or modification of a portable or
- self-contained ductless air conditioning or heating product that 22
- has a cooling capacity of three tons or less or a heating capacity 23
- 24 of 36,000 British thermal units or less.
- (4) "Commissioner" means the commissioner of the Texas 25

- 1 Department of Labor and Standards.
- 2 (5) "Person" means an individual.
- SECTION 3. POWERS AND DUTIES OF COMMISSIONER. 3 (a) The 4 commissioner shall adopt rules for the practice of air conditioning contracting consistent with this Act not later than the 90th day 5 after the effective date of this Act. The standards prescribed by 6 7 rule must be at least as strict as the standards set forth in the 8 Uniform Mechanical Code published jointly by the International 9 Conference of Building Officials and the International Association of Plumbing and Mechanical Officials, as that code exists at the 10 11 time the rules are adopted.
- 12 (b) The commissioner shall prescribe application forms for 13 original and renewal licenses and the design of the licenses.
- (c) The commissioner shall prescribe the method and content of examinations administered under this Act and shall set compliance requirements for the examinations. The commissioner shall offer each examination on a monthly basis.
- 18 (d) The commissioner shall set insurance requirements for 19 persons licensed under this Act. The commissioner may waive the 20 insurance requirements for licensees who do not contract with the 21 general public.
- (e) The commissioner may employ the personnel necessary to implement this Act. The commissioner shall employ at least two full-time air conditioning professionals to serve as air conditioning examiners.
- 26 (f) The commissioner may authorize necessary disbursements

- 1 to implement this Act, including office expenses, costs of
- 2 equipment, and other necessary facilities.
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- 5 for the licensing examinations. The fees shall be set in amounts
- 6 that are reasonable and necessary to defray the costs of the
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- 8 (h) The commissioner shall maintain a record of his
- 9 proceedings under this Act.
- 10 SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. (a) Air
- 11 conditioning contractor licenses are of two classes. A Class A
- 12 license entitles the licensee to install, repair, or alter summer
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- 15 repair, or alter an environmental air conditioning system that
- develops a total of not more than 25 tons cooling capacity and not
- more than 1,500,000 British thermal units per hour output heating
- 18 capacity. The commissioner shall prescribe an appropriate
- 19 examination for each class of license.
- 20 (b) An applicant for an air conditioning contractor license
- 21 must be at least 18 years old.
- (c) The application must be made on a form prescribed by the
- 23 commissioner and must specify the class of license the applicant
- 24 seeks. The application must be verified and must be accompanied
- 25 by:
- (1) three recommendations from competent people in the

- 1 regulated industry;
- 2 (2) evidence of the insurance coverage required under this
- 3 Act;
- 4 (3) a statement of the applicant's practical experience; and
- 5 (4) the examination fee.
- (d) The commissioner shall issue the air conditioning contractor license to an applicant who possesses the required qualifications, passes the appropriate licensing examination, and pays the examination fee and the original license fee required by this Act. An applicant who fails the examination is eligible for reexamination.
- 12 (e) A license issued under this Act expires three years
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- 9 Engineering Practice Act, as amended (Article 3271a, Vernon's Texas
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- 11 business in which the person is employed, and the person does not
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- 20 prescribed by a municipal ordinance.
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- 26 state as a professional engineer and engaged in business as a

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- 2 (d) This Act does not apply to a person who is regulated 3 under Chapter 113, Natural Resources Code.
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- 8 air conditioning contracting that the person has obtained a state
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- of the commission's review of the office of the commissioner.
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- 25 1989.

S.B. No. 642

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- 12 and have at least three years of practical experience in air
- 13 conditioning work. For purposes of the experience requirement, a
- 14 degree or diploma in air conditioning engineering or mechanical
- engineering from an institution of higher education whose program
- 16 is approved by the State Board of Registration for Professional
- 17 Engineers for the purpose of licensing professional engineers is
- considered the equivalent of two years of practical experience.
- 19 (4) On page 5 line 17 by adding the following:
- 20 (4) assists in the performance of air conditioning work
- 21 under the direct personal supervision of a licensee.
- 22 Jackson

# COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

MAY 3, 1983

Sir:				
We, your COMMITTEE ON BUSINES consideration and beg to report back	SS & COMMERCE, to who with the recommendation	m was referred $\underline{S}$ . $\underline{\mathcal{B}}$	(measure)	have had the same under
<ul> <li>do pass, without amendment.</li> <li>do pass, with amendment(s).</li> <li>do pass and be not printed; a C</li> </ul>	Complete Committee Substi	itute is recommended in I	ieu of the original measu	re.
A fiscal note was requested. (>> ye	s ( ) no			
An author's fiscal statement was requ	ested. ( ) yes 🖂 no			
An actuarial analysis was requested.	( ) yes ( <b>&gt;</b> ) no			
The Committee recommends that this	s measure be placed on the	(Local) or (Gonsent)	- Calendar.	
This measure (V) proposes new I				
( ) amends existing  House Sponsor of Senate Measure	11)015	NS		
		to:		
The measure was reported from Com	mittee by the following vol	te.		
	AYE	NAY	PNV	ABSENT
Jackson, Ch.				
Gibson, B., V.C.	✓			
Harrison, W.O., C.B.O.	<b>/</b>			
Denton				
Glossbrenner	<u> </u>			
Leonard				
Mankins				
Messer				
Watson				
Totalayenaypresent	t, not voting	CHAI	mold	<u>~</u>
absent		COMN	IITTE COORDINA	ION

S.B. 642 By: Henderson (Steve Wolens)

#### BILL ANALYSIS

## Background Information

Some cities regulate air conditioning contractors and others do not regulate air conditioning contractors. Some air conditioning contractors need ten or twelve permits in order to operate their business and others do not need any permits to operate in their geographic area.

## Purpose

The purpose of S.B. 642 is to provide new state regulation and licensing of air conditioning contractors.

# Section by Section Analysis

Section 1: SHORT TITLE.

Section 2: DEFINITIONS.

Section 3: POWERS AND DUTIES OF COMMISSIONER.

(a) Authorizes the commissioner to adopt rules for the practice of air conditioning contracting within 90 days after the effective date.

(b) Authorizes the commissioner to prescribe application forms for licenses.(c) Authorizes the commissioner to prescribe the method and content of exams, and requires them to be offered on a monthly basis.

(d) Authorizes the commissioner to set insurance requirements for licenses.

- (e) Authorizes the commissioner to employ personnel to implement the act, including at least two full-time air conditioning professionals to serve as examiners.
- (f) Authorizes the commissioner to make necessary disbursements to implement the act.
- (g) Authorizes the commissioner to set fees for licenses.
- (h) Requires the commissioner to maintain records.

# Section 4: AIR CONDITIONING CONTRACTOR LICENSE.

(a) Provides for two classes of air conditioning contractor licenses. À Class A license entitles the licensee to install, repair, or alter air conditioning system of any size, while a Class B license restricts the licensee to working on systems which develop not more than 25 tons of cooling capacity and not more than 1,500,000 BTUs of heating capacity.

(b) A licensee must be at least 18 years old.

(c) Requires the application to be made on a form prescribed by the

- commissioner and to specify the class of license being applied for.
- (d) Provides that a license is to be issued to a qualified applicant who passes the exam and pays the license fee.

(e) Provides for three-year licenses, and for renewal.

DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. Specifies that violations Section 5: of the act are grounds for license action, and for proceedings and appeal under the Administrative Procedure and Texas Register Act.

#### Section 6: EXEMPTIONS.

(a) The act exempts those who work on their own residential air conditioning system, those who are employed as maintenance men, or maintenance engineers, or are licensed as professional engineers, if the work is performed as part of their occupational duties, and those who are employed by an electric or gas utility.

(b) Provides that work exemptions in Subsection (a) are subject to

municipal ordinances.

(c) Licensees may not perform any act or service which is defined as the practice of engineering by the Texas Engineering Practice Act. The act does not apply to licensed professional engineers.

(d) The act does not apply to those regulated under Chapter 113, Natural Resources Code (liquified petroleum gas industry).

- REPORTING REQUIREMENT. Licensees are required to notify the appropriate Section municipal authority that they have obtained a state license.
- Section 8: PENALTY. Provides that an offense is a Class C misdemeanor.
- MUNICIPAL REGULATION. Provides that a license issued under this act is Section 9: valid throughout the state, and no municipal license is required. A municipal license is valid only in that municipality.
- Section 10: SUNSET REVIEW: EXPIRATION. Provides that unless continued by law, this Act expires September 1, 1989.
- Section 11: Effective date license requirement: January 1, 1986.
- Section 12: Effective date: September 1, 1983.
- Section 13: Emergency clause.

#### Rulemaking Authority

This bill delegates rulemaking authority to the commissioner of the Texas Department of Labor and Standards to adopt rules for the practice of air conditioning contracting, to prescribe the method and content of exams, to set insurance requirements for licenses, and to set fees for licenses.

## Summary of Committee Action

Public notice was posted in accordance with the Rules of Procedure of the House of Representatives and a public hearing was held on April 26, 1983.

On May 3, 1983 the full committee voted to report S.B. 642 to the House with amendments and the recommendation that it do pass by a record vote of 6 ayes, 0 nays, and 1 Present-Not-Voting.

The amendment provides that examinations be offered only in Travis County and that examinations be offered on a quarterly basis. The amendment requires that the fee set for the licensing examination pay the costs of the examination rather than merely defray the costs of the examination. The amendment requires that an applicant for an air conditioning contractor license have at least three years of practical experience in air conditioning work and provides that a degree or diploma in air condition, engineering or mechanical engineering from an institution of higher education whose program is approved by the State Board of Registration for Professional Engineers for the purpose of licensing professional engineers is considered the equivilent of two years of practical experience. The amendment also exempts a person who assists in the performance of air conditioning work under the direct personal supervision of a licensee.

# The following persons testified on April 26, 1983

For the Bill:

Bill Brister, Air Conditioning Contractor 1921 Record-Crossing

Dallas, Texas

Charlie Wright, Air Conditioning Contractor P. O. Box 35688 Houston, Texas 77235

Austin, Texas

#### FISCAL NOTE

May 9, 1983

Honorable Lee F. Jackson, Chair Committee on Business and Commerce House of Representatives Austin, Texas

In Re: House Committee Amendments for

Senate Bill No. 642

Sir:

In response to your request for a Fiscal Note on the House Committee Amendments for Senate Bill No. 642 (relating to the regulation of air conditioning contractors; providing a penalty) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The probable cost and revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost Out of the General Revenue Fund	Probable Revenue Gain to the General Revenue Fund	Change in Number of State Employeesfrom FY 1983
1984	\$221,453	\$221,453	+ 6
1985	211,453	221,453	+ 6
1986	206,453	206,453	+ 6
1987	206,453	206,453	+ 6
1988	206,453	206,453	+ 6

Similar annual costs and revenue gains would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Department of Labor and Standards; LBB Staff: JO, JH, KH, DM Source:

Austin, Texas

## FISCAL NOTE

April 22, 1983

Honorable Lee F. Jackson, Chair Committee on Business and Commerce House of Representatives Austin, Texas

In Re: Senate Bill No. 642,

as engrossed By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 642, as engrossed (relating to the regulation of air conditioning contractors; providing a penalty), this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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1984	\$221,453	\$332,500	+ 6
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1988	96,225	96,225	+ 6

Similar annual costs and revenue gains would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Jim Oliver Director

Source: Department of Labor and Standards;

LBB Staff: JO, JH, KH, DM

Austin, Texas

#### FISCAL NOTE

March 14, 1983

Honorable O. H. "Ike" Harris, Chairman Committee on Economic Development Senate Chamber Austin, Texas

In Re: Senate Bill No. 642

By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 642 (relating to the regulation of air conditioning contractors; providing a penalty) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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Jim Oliver Director

Department of Labor and Standards; LBB Staff: JO, JH, KH, LV Source:

Committee Amendment No	Ο.	
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By: <u>Lee Jackson</u>

Amend SB 642 as follows:

(1) On page 2 by deleting the word "commissioner " at the end of line 16 and by deleting line 17 in its entirety and substituting in lieu thereof the following:

examinations shall be offered only in Travis County, and shall be offered on a quarterly basis.

- (2) On page 3 line 6 by deleting the word "defray" and substituting "pay".
- (3) On page 3 line 21 by de | leting the "." and adding the following:

and have at least three years of practical experience in air conditioning work. For purposes of the experience requirement, a degree or diploma in air conditioning engineering or mechanical engineering from an institution of higher education whose program is approved by the State Board of Registration for Professional Engineers for the purpose of licensing professional engineers is considered the equivalent of two years of practical experience.

(4) On page 5 line 17 by adding the following:

(4) assists in the performance of air conditioning work under the direct personal supervision of a licensee.

(4)

# ADOPTED

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MAY 25 1983

Chief Clerk
House of Representatives

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House Am #19 3/30/83. Amendment No. \_\_\_\_\_\_

By Wolens

Betty Mussey

House of Representative

Amend Committee Amendment No. 1 to SB 642 to read as follows:

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- (2) On page 3 line 6 by deleting the word "defray" and substituting "pay".
- (3) On page 3 line 21 by deleting the "." and adding the following:

and have at least three years of practical experience in air conditioning work. For purposes of the experience requirement, a degree or diploma in air conditioning engineering or mechanical engineering from an institution of higher education whose program is approved by the State Board of Registration for Professional Engineers for the purpose of licensing professional engineers is considered the equivalent of two years of practical experiences.

- $\overline{/\!/}(4)$  On page 5 line 13 by deleting the word "or".
- (5) On page 5 by deleting lines 15 through 17 and substituting in lieu thereof the following:

employed by a regulated electric or gas utility;

- (4) performs plumbing work and is licensed under the the Plumbing License Law (Article 6243-101, Vernon's Texas Civil Statutes); or  $\frac{5}{6}$
- (5) assists in the performance of air conditioning work under the direct personal supervision of a licensee.

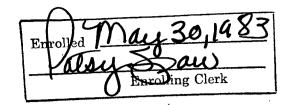
House Am #3

(3)

(G)

Amendment Amend SB 642 on page 6 by deleting line 11, and substituting in lieu therof the following: SECTION 8. PENALTY. Except as provided in Section 9, a person commits an offense if the ADOPTED MAY 25 1983 Chief Clerk/ House of Representatives 23 . 

House Am. A



S.B. No. 642

1 AN ACT

2 relating to the regulation of air conditioning contractors;

3 providing a penalty.

4

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. SHORT TITLE. This Act may be cited as the "Air 6 Conditioning Contractor License Law."

7 SECTION 2. DEFINITIONS. In this Act:

- 8 (1) "Environmental air conditioning" means the process of 9 treating indoor air to continuously control its temperature, 10 humidity, cleanliness, and circulation to meet human comfort 11 requirements.
- (2) "Air conditioning contractor" means a person licensed under this Act who designs, installs, constructs, maintains, services, repairs, alters, or modifies any heating, ventilating, or air conditioning product, system, or equipment.
- 16 conditioning contracting" means designing, 17 installing, constructing, maintaining, servicing, modifying any heating, 18 altering, or ventilating, conditioning product, system, or equipment. 19 The term does not 20 include the design, installation, construction, maintenance, 21 service, repair, alteration, or modification of a portable or 22 self-contained ductless air conditioning or heating product that 23 has a cooling capacity of three tons or less or a heating capacity 24 of 36,000 British thermal units or less.
- 25 (4) "Commissioner" means the commissioner of the Texas

- 1 Department of Labor and Standards.
- 2 (5) "Person" means an individual.
- SECTION 3. POWERS AND DUTIES OF COMMISSIONER. 3 (a) The commissioner shall adopt rules for the practice of air conditioning 4 contracting consistent with this Act not later than the 90th day 5 after the effective date of this Act. The standards prescribed by 6 rule must be at least as strict as the standards set forth in the Uniform Mechanical Code published jointly by the International 8 9 Conference of Building Officials and the International Association 10 of Plumbing and Mechanical Officials, as that code exists at the time the rules are adopted. 11
- 12 (b) The commissioner shall prescribe application forms for original and renewal licenses and the design of the licenses.
- (c) The commissioner shall prescribe the method and content of examinations administered under this Act and shall set compliance requirements for the examinations. The examinations shall be offered only in Travis County and shall be offered on a quarterly basis.
- 19 (d) The commissioner shall set insurance requirements for 20 persons licensed under this Act. The commissioner may waive the 21 insurance requirements for licensees who do not contract with the 22 general public.
- (e) The commissioner may employ the personnel necessary to implement this Act. The commissioner shall employ at least two full-time air conditioning professionals to serve as air conditioning examiners.

- 1 (f) The commissioner may authorize necessary disbursements 2 to implement this Act, including office expenses, costs of 3 equipment, and other necessary facilities.
- 4 (g) The commissioner shall set fees for original and renewal licenses issued under this Act. The commissioner shall set a fee for the licensing examinations. The fees shall be set in amounts that are reasonable and necessary to pay the costs of the administration of this Act.
- 9 (h) The commissioner shall maintain a record of his 10 proceedings under this Act.
- 11 SECTION 4. AIR CONDITIONING CONTRACTOR LICENSE. (a) Air 12 conditioning contractor licenses are of two classes. A Class A 13 license entitles the licensee to install, repair, or alter summer or winter environmental air conditioning systems of any size or 14 capacity. A Class B license entitles the licensee to install, 15 repair, or alter an environmental air conditioning system that 16 develops a total of not more than 25 tons cooling capacity and \_ not 17 more than 1,500,000 British thermal units per hour output heating 18 19 capacity. The commissioner shall prescribe an appropriate examination for each class of license. 20
  - (b) An applicant for an air conditioning contractor license must be at least 18 years old and have at least three years of practical experience in air conditioning work. For purposes of the experience requirement, a degree or diploma in air conditioning engineering or mechanical engineering from an institution of higher education whose program is approved by the Texas State Board of

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- 1 Registration for Professional Engineers for the purpose of
- 2 licensing professional engineers is considered the equivalent of
- 3 two years of practical experience.
- 4 (c) The application must be made on a form prescribed by the
- 5 commissioner and must specify the class of license the applicant
- 6 seeks. The application must be verified and must be accompanied
- 7 by:
- 8 (1) three recommendations from competent people in the
- 9 regulated industry;
- 10 (2) evidence of the insurance coverage required under this
- 11 Act;
- 12 (3) a statement of the applicant's practical experience; and
- 13 (4) the examination fee.
- 14 (d) The commissioner shall issue the air conditioning
- 15 contractor license to an applicant who possesses the required
- 16 qualifications, passes the appropriate licensing examination, and
- pays the examination fee and the original license fee required by
- 18 this Act. An applicant who fails the examination is eligible for
- 19 reexamination.
- 20 (e) A license issued under this Act expires three years
- 21 after the date it was issued. To renew a license, the licensee
- 22 must submit to the commissioner before the expiration date a
- 23 renewal application, on a form prescribed by the commissioner,
- 24 accompanied by the renewal fee. The commissioner shall notify the
- 25 licensee of the expiration date of the license and the amount of
- 26 the renewal fee. The notice shall be mailed not later than the

- 1 30th day before the expiration date.
- 2 SECTION 5. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.
- 3 (a) A violation of this Act or a rule adopted under this Act is a
- 4 ground for the denial, suspension, or revocation of a license
- 5 issued under this Act.
- (b) Proceedings for the denial, suspension, or revocation of a license and appeals from those proceedings are governed by the Administrative Procedure and Texas Register Act, as amended
- 9 (Article 6252-13a, Vernon's Texas Civil Statutes).
- SECTION 6. EXEMPTIONS. (a) This Act does not apply to a
- ll person who:
- (1) performs air conditioning work in a building owned
- solely by him as his home;
- 14 (2) performs air conditioning maintenance work if the person
- is regularly employed as a maintenance man or maintenance engineer
- 16 or is licensed as a professional engineer under The Texas
- 17 Engineering Practice Act, as amended (Article 3271a, Vernon's Texas
- 18 Civil Statutes), the work is performed in connection with the
- 19 business in which the person is employed, and the person does not
- 20 engage in the occupation of air conditioning contracting for the
- 21 general public;
- 22 (3) performs air conditioning contracting and is regularly
- employed by a regulated electric or gas utility;
- 24 (4) performs plumbing work and is licensed under The
- 25 Plumbing License Law (Article 6243-101, Vernon's Texas Civil
- 26 Statutes); or

- 1 (5) assists in the performance of air conditioning work 2 under the direct personal supervision of a licensee.
- 3 (b) The work described by Subsection (a) of this section 4 remains subject to any permit, inspection, or approval requirements 5 prescribed by a municipal ordinance.
- 6 (c) A person licensed under this Act may not perform or
  7 offer or attempt to perform any act, service, or function that is
  8 defined as the practice of engineering by The Texas Engineering
  9 Practice Act, as amended (Article 3271a, Vernon's Texas Civil
  10 Statutes). This Act does not apply to a person licensed in this
  11 state as a professional engineer and engaged in business as a
  12 professional engineer.
- 13 (d) This Act does not apply to a person who is regulated 14 under Chapter 113, Natural Resources Code.
- 15 SECTION 7. REPORTING REQUIREMENT. Each person licensed under this Act shall notify the municipal authority who has control 16 of the enforcement of regulations relative to air conditioning 17 contracting in the municipality in which the person is engaged in 18 19 air conditioning contracting that the person has obtained a state 20 license. The notification must contain the name and address of the 21 licensee.
- SECTION 8. PENALTY. Except as provided in Section 9, a person commits an offense if the person knowingly or intentionally engages in air conditioning contracting without a license issued under this Act. An offense under this section is a Class C misdemeanor.

S.B. No. 642

- SECTION 9. MUNICIPAL REGULATION. A license issued under this Act is valid throughout the state, and the holder is not required to hold a municipal license to practice air conditioning contracting in a municipality. A license issued by a municipality of this state is valid under the terms of the license within that municipality.
- SECTION 10. SUNSET REVIEW; EXPIRATION. (a) The Sunset
  Advisory Commission shall review the operation of this Act as part
  of the commission's review of the office of the commissioner.
- 10 (b) Unless continued by law, this Act expires September 1, 1989.
- SECTION 11. EFFECTIVE DATE FOR LICENSE REQUIREMENT. A

  person is not required to be licensed under this Act to engage in

  the business of air conditioning contracting until January 1, 1986.
- SECTION 12. EFFECTIVE DATE. This Act takes effect September 1, 1983.
- SECTION 13. 17 EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an 18 19 emergency and an imperative public necessity constitutional rule requiring bills to be read on three several 20 days in each house be suspended, and this rule is hereby suspended. 21

President of the Senate	Speaker of the House
I hereby certify that S.B. N	No. 642 passed the Senate of
March 30, 1983, by a viva-voce vote	e; and that the Senate concurre
in House amendments on May 30, 1983,	by a viva-voce vote.
	Secretary of the Senate
I homely contifue that C.D. No.	
I hereby certify that S.B. No.	642 passed the House, with
amendments, on May 28, 1983, by a no	on-record vote.
	•
	Chief Clerk of the House
Approved:	_ :
Date	
Governor	

Austin, Texas

## FISCAL NOTE

May 9, 1983

Honorable Lee F. Jackson, Chair Committee on Business and Commerce House of Representatives Austin, Texas

In Re:

House Committee Amendments for

Senate Bill No. 642

Sir:

In response to your request for a Fiscal Note on the House Committee Amendments for Senate Bill No. 642 (relating to the regulation of air conditioning contractors; providing a penalty) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The probable cost and revenue gain from implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

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1987	206,453	206,453	+ 6
1988	206,453	206,453	+ 6

Similar annual costs and revenue gains would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Jim Oliver Director

Source: Department of Labor and Standards;

LBB Staff: JO, JH, KH, DM

Austin, Texas

#### FISCAL NOTE

April 22, 1983

Honorable Lee F. Jackson, Chair Committee on Business and Commerce House of Representatives Austin, Texas

In Re:

Senate Bill No. 642,

as engrossed

By: Henderson

Sir:

In response to your request for a Fiscal Note on Senate Bill No. 642, as engrossed (relating to the regulation of air conditioning contractors; providing a penalty), this office has determined the following:

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Jim Oliver Director

Source:

Department of Labor and Standards; LBB Staff: JO, JH, KH, DM

Austin, Texas

#### FISCAL NOTE

March 14, 1983

Honorable O. H. "Ike" Harris, Chairman Committee on Economic Development Senate Chamber Austin, Texas

In Re: Senate Bill No. 642

By: Henderson

Sir:

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Jim Oliver Director

Department of Labor and Standards; LBB Staff: JO, JH, KH, LV

By Henderson

AN ACT relating to the regulation of air conditioning contractors; providing a penalty.

1 1983	Filed with the Secretary of the Senate
MAR 2 1983	Read, referred to Committee on ECONOMIC DEVELOPMENT
	Reported favorably.
MAR 22 1983	Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.
0.0.4000	Ordered not printed
MAR 3 0 1983	Senate and Constitutional Rules to permit consideration suspended by
	yeas, nays.
•	To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote ofyeas,nays.
MAR 8 9 1933	Read second time and ordered engrossed.  passed to third reading.
VAR 8 0 1983	Caption ordered amended to conform to body of bill.
MARCH E	Senate and Constitutional 3-Day Rules suspended by vote of 30 yeas, nays to place bill on third reading and final passage.
	Read third time and passed by a viva-voce vote
OTHER ACTION	

Miles 30,1983 Engrossed

4-5-83 Sent to House

Jatoy Spaw ENGROSSING CLERK

	APR 5 1983	_Received from the Senate
	APR 1 2 1983	Read first time and referred to Committee on Business Commone
	5.9.83	_Reported favorably amended, sent to Printer at
	SECT P YAM	Printed and Distributed 7:57 m
5.	10.83	_ Sent to Committee on Calendars
	MAY 2 5 1983	Read Second time (amended) passed to third reading (failed)
		by Non-Record Vote) Record Vote of nays
		Present; not voting.
		_ Constitutional Rule requiring bills to be read on three several
		days suspended (failed to suspend) by a four-fifths vote of
	MAY 2 8 1983	yeas nays present not voting.
		Read third time (amended); finally passed (failed) by a  (Non-Record Vote) Record Vote of
		present not voting
	MAY 2 8 1983	Caption ordered amended to conform to body of bill.
	2 g 1943	_ Returned to Senate.
γ:	e rese_return	ED FROM HOUSE  Chief Clerk of the House
U	with an	Chief Clerk of the House

Senate concurred in House amend-

ments by viva voce vote.

1983 MAY -9 PM 7: 57

AUSE OF REPRESENTATIVES